

VAPG program creates rural jobs, boosts local economies

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The Value-Added Producer Grants (VAPG) program is a great example of the commitment USDA Rural Development has made to carrying out President Bush's agenda for building a stronger rural America. You can read about an example of a project funded by this program on page 12 and learn about funding priorities and the next application deadline on page 33 of this issue of *Rural Cooperatives*.

The VAPG program is helping to accelerate the pace of the transformation of the nation's agricultural economy to one focused on producer-owned, value-added businesses. With global competition increasing for production of crops, many producers realize that their best bet for success in the years ahead will be to move higher on the value-added chain that starts with their crops and livestock.

Since 2001, USDA Rural Development has awarded \$100 million for 584 VAPG projects. Not only does VAPG help producers generate more profits from their operations and keep that income turning over in rural communities, it also helps create jobs. For example, Value-Added Partners Inc. (VAP) received a VAPG in 2001 for \$500,000 to help market dough and

bread products made from hard red winter wheat. The co-op was originally formed by a group of producers looking for value-added processing alternatives for their hard red winter wheat. This variety is the region's major crop, preferred by producers as a consistent source of clean, high-quality wheat that

The processing plant now produces several types of dough and bread products, including its latest addition: a frozen cinnamon roll that can be microwaved. The plant's main line produces pizza crust and can process 10,000 pounds of dough per hour. VAP has 80 full-time employees and recently launched its own trucking company to handle the shipping of its products.

Recently, we have revised the VAPG program so that it can be maximized so that more people can benefit. Because of this action, more grants will be awarded, creating more jobs and strengthening the economies of more rural communities. To echo Agriculture Secretary Mike Johanns, "the Bush Administration is committed to working with farmers, ranchers and rural entrepreneurs to increase their economic opportunities and to create jobs that boost local economies. These grants provide America's farmers and ranchers with the investment funds needed to expand their role in developing and marketing value-added products."

Rural Development is committed to providing determined leadership to increase economic opportunities and improve the quality of life for citizens living in America's rural communities. With 47 state offices and 800 field offices, we look forward to working with you to bring opportunities to you and your communities. ■



USDA Rural Development's Peter Thomas (far right) delivers a check with financial assistance to a new turkey producers' cooperative in Hinton, Va. (see page 14).

has above-average test weights and protein levels.

In 1999, VAP began its equity drive to purchase a site for a frozen-dough processing plant. The producer response was strong. VAP also obtained a Business and Industry Guaranteed Loan from USDA for \$7.5 million, allowing the cooperative to purchase a site in Alva, Okla.